

R E M A R K S

Claims 1 - 11 are pending in the present application, of which claim 11 has been canceled without prejudice and disclaimer. Applicant respectfully submit that no new matter has been added. Applicant believes that this Amendment is fully responsive to the Office Action dated **October 30, 2002**.

As to the Merits:

As to the merits of this case, the Examiner relies on the newly cited reference of **Masataka et al.** (JP Patent No. 62-203264) in setting forth the following rejection:

claims 1-11 stand rejected under 35 U.S.C. §103(a) as being unpatentable over **Okaya et al.** (of record) in view of **Masataka**.

This rejection is respectfully traversed.

With regard to the primary reference of **Okaya**, the Examiner correctly acknowledges that "Okaya et al fail to disclose or fairly suggest the steps of performing a self-diagnosis when a card is present in the reader and normal processing function when no card is in the reader."¹

¹ Please see, the last sentence of page 2 of the Action.

In order to overcome the above-noted drawbacks and deficiencies of **Okaya**, the Examiner relies on the newly cited reference of **Masataka**. More specifically, the Examiner relies on **Masataka**'s disclosure concerning a self-diagnosis process of a card reader when a card error in the card reader is detected.

However, **Masataka** does not disclose the steps of performing a self-diagnosis when a card is present in the reader and a normal processing function when no card is in the reader when power is on, as called for in the present claimed invention.

That is, **Masataka** only teaches a self-diagnosis function of the card reader and fails to disclose performing a self-diagnosis when a card is present in the reader and normal processing function when no card is in the reader when power is on.

Further, please note, that the Applicant is in the process of preparing an English language translation of **Masataka**, and will submit it for the Examiner's convenience upon completion.

In view of the aforementioned amendments and accompanying remarks, claims 1 - 10 are in condition for allowance, which action, at an early date, is requested.

If, for any reason, it is felt that this application is not now in condition for allowance, the

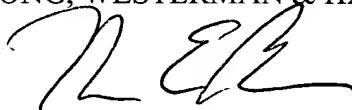
Examiner is requested to contact Applicant's undersigned attorney at the telephone number indicated below to arrange for an interview to expedite the disposition of this case.

Attached hereto is a marked-up version of the changes made to the by the current amendment. The attached page is captioned "**Version with markings to show changes made.**"

In the event that this paper is not timely filed, Applicant respectfully petitions for an appropriate extension of time. Please charge any fees for such an extension of time and any other fees which may be due with respect to this paper, to Deposit Account No. 01-2340.

Respectfully submitted,

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PATENT TRADEMARK OFFICE

Enclosures: Version with markings to show changes made

VERSION WITH MARKINGS TO SHOW CHANGES MADE 09/514,158

IN THE CLAIMS:

Claim 11 has been canceled without prejudice or disclaimer.